Investing in African Mining Indaba
Cape Town - 2005

GROWTH, GROWTH and MORE GROWTH
Forward Looking Statements

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Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the company to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other important factors include among others: economic, business and political conditions in South Africa; decreases in the market price of commodities; hazards associated with underground and surface mining; labor disruptions; changes in government regulations, particularly environmental regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; and the impact of the AIDS crisis in South Africa. These forward looking statements speak only as of the date of publication of these pages.

The company undertakes no obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of publication of these pages or to reflect the occurrence of unanticipated events.
Introduction

It is our dream to grow ARM into a low-cost, globally competitive diversified mining company: please join us on this journey….

Patrice Motsepe, Executive Chairman, ARM, February 2005
The business of African Rainbow Minerals Limited is to explore, develop, operate and hold interests in the mining industry. The company’s current focus areas are: ferrous; nickel; PGMs; and gold.
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Background

- Number of shares in issue: 204.2 million
- Market capitalization: US$950m
- Primary listing: JSE
- Number of employees: 5,162
- Largest shareholders:
  - ARMI (42%)
  - NewCo (20%)**

** Shares being sold by Harmony to NewCo
Experienced management

- Entrepreneurial management team
- Experienced asset builders
- Proven operators over a diverse range of commodities

Executive Chairman – Patrice Motsepe
Chief Executive Officer – André Wilkens
Financial Director – Frank Abbott
Executive Director – Mangisi Gule

Chief Executive – Announcement pending

Chief Executive – Jan Steenkamp
Current features

- ARM/Avmin transaction **successfully bedded down**
  - An exciting growth company with diversified strength has emerged

- Defined strategic plan’s Critical Success Factors **being implemented** by our experienced mining team
  - Our “We Do It Better” management style has been introduced and is being implemented

- An ability to **add value operationally and strategically** remain key drivers
Mergers & acquisitions

- We are positioning for a year of corporate activity that is **aligned to our growth strategy**
  - ARM is well positioned, with a strong balance sheet, to **participate in future empowerment transactions** in the resource sector
  - Exciting PGM, manganese and iron ore **growth opportunities** being evaluated
  - South African remains our **prime area of operation**
Project advancements

• Nickel joint venture announced with LionOre on Nkomati nickel mine and its large expansion project
  • Logical partnership
  • Both companies will use combined skills and experience to optimise project feasibility
  • Will accelerate project

• Significant Two Rivers PGM project in approval process
Exploration portfolio

• ARM’s attractive African exploration portfolio to be appropriately structured and positioned

  • Initiatives underway to enhance current asset values
  • Objective to extract maximum value for ARM
  • Review will be completed mid-2005
The business of African Rainbow Minerals Limited is to explore, develop, operate and hold interests in the mining industry. The company’s current focus areas are: ferrous; nickel; PGMs; and gold.
Critical success factors

SHAREHOLDER WEALTH CREATION

Activities within the five focused action areas are well-advanced

- Operational excellence
- ‘Brownfield’ expansions
- New project developments
- Investor attractiveness
- Acquisitive growth
Structure now simplified

** Assets held through a 50.3% shareholding in Assmang Limited

- Modikwa (50%) – PGMS
- Two Rivers (55%) – PGMs
- Nkomati (50%) – Ni, PGMs
- Kalplats (100%) – PGMs

** Asset held through the ARM Mining Consortium

- Beeshoek – Fe
- Bruce/King/Mokaning – Fe
- Nchwaning - Mn
- Gloria – Mn
- Cato Ridge – Fe Mn
- Cato Ridge Alloys – Fe Mn
- Dwarsrivier – Cr
- Machadodorp – Fe Cr

- Various opportunities in Africa being assessed

16.2%

Disposal being finalised

20%

African Rainbow Minerals

African Rainbow Minerals
Striving for operational excellence

• Poor performers have been turned around
  • Operating efficiencies improved at all operations over last year
• Manganese and nickel operate at healthy profit margins
• Competitive operating costs
  • Nickel – one of the lowest cost nickel operations in the world
  • Manganese – will be one of the lowest cost underground operations
  • Iron ore – extremely competitive mining cost
  • PGMs – Modikwa on track for R300/t
• Low corporate overhead costs
  • Reduced by over 45% in first year after formation of ARM
• Highly skilled and committed employees
  • Good union relationships
Solid project pipeline
• Large resource base in key commodity sectors
• Long-life, high quality resources
An attractive investor offering

• **Simplifying the structure**
  - Harmony cross-holding is an opportunity
  - Direct access to cash from all operations is key
  - Reporting responsibilities clarified

• **Improved liquidity**
  - NYSE listing linked to growth strategy

• **Improved investor contact**
  - Access to management team improved
  - Company information flow being upgraded
  - ‘Reach’ into US and Europe markets will be enhanced
Acquisitive growth is key

- Mergers and acquisitions as well as strategic alliances being pursued
- Unique South African shareholding composition will be the advantage
- Seeking quality assets with strong cash flows
- Targeting a limited and focused commodity range with strong industry characteristics
- Expand existing commodities
  - PGMs attractive characteristics
  - Manganese and iron ore are key to growth
- An ability to add value operationally and strategically remain key ‘drivers’
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Modikwa nearing full production

**Overview**
- Situated in Limpopo province – 50:50 joint venture with AngloPlats (41.5% effective to ARM)
- Full production to be achieved mid-2005
- Toll smelt and refine at AngloPlats’ infrastructure
- At full production: 366 000oz PGM’s a year (160 000oz of platinum)
- Significant community interaction: shareholders, suppliers and employment

**Significant PGM - 4E - reserves and resources**
- Total UG2 reserves of 17.6Mt and total resources (UG2 and Merensky) of 534Mt

**Looking ahead**
- Competitive operating cost and improved efficiencies forecast at full production
- Extremely large resource provides exciting future options: Modikwa deeps
Major PGM operation at Two Rivers

- Overview
  - Situated in Mpumalanga province – in partnership with Implats (ARM 55% and Impala 45%)
  - Planned at full production: 230 000oz PGMs a year (110 000oz of platinum)
  - Toll smelt and refine at Implats’ infrastructure
  - Current trial mining (+100kt) has confirmed all mining and geological assumptions – effectively moved project into ‘brownfield’ status
  - Funding being finalised – capital expenditure forecast at R1.2bn (50% project financeable)
Major PGM operation (cont..)

• Significant PGM - 4E - reserves and resources

<table>
<thead>
<tr>
<th>RESERVES</th>
<th>Moz</th>
<th>Mt</th>
<th>g/t 3 PGE + Au</th>
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<tbody>
<tr>
<td>TOTAL (UG2 Reef only)</td>
<td>5</td>
<td>44.8</td>
<td>3.49</td>
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<table>
<thead>
<tr>
<th>RESOURCES</th>
<th>Moz</th>
<th>Mt</th>
<th>g/t 3 PGE + Au</th>
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<tbody>
<tr>
<td>TOTAL (UG2 &amp; Merensky reefs)</td>
<td>14.7</td>
<td>117</td>
<td>3.91</td>
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</table>

• Pt:Pd ratio of 5:3 – i.e. geologically different to the northern part of the Eastern Bushveld

• Looking ahead
  • Competitive operating cost forecast at full production, will be lowest quartile of world operators
  • Merensky Reef provides significant future option
**Cash operating costs**

- **Two Rivers** < R200/t
- **Modikwa at full production**: aiming for R300/t
ARM Platinum

PGMs – significant growth

Targeting 600 000oz (attributable) in four years

Attributable PGM ounces/year*

Targeted growth

2004 YEAR 1 2 3 4 5 6 7 8

- Modikwa (41.5%)
- Nkomati + Expansion (100%)
- Two Rivers (55%)
Exciting nickel developments

• **Overview**
  
  • LionOre recently introduced to Nkomati at a 50% level in a transaction valued at US$48.5m
  
  • Current high-grade MSB mine produces about 5kt nickel a year with significant by-product credits
  
  • Large open-pit expansion being assessed: capex forecast at around about US$310m (around R2bn)
  
  • On-site processing will be further enhanced to include fully-integrated smelting and refining using Activox® technology, which is owned by LionOre
  
  • ARM and LionOre utilizing their joint skills and experience to review and improve the technical and economical feasibility of the expansion
Exciting nickel developments (cont..)

• Significant reserves and resources

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<tr>
<th>RESERVES</th>
<th>Mt</th>
<th>Ni (%)</th>
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<tbody>
<tr>
<td>TOTAL</td>
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<td>0.50</td>
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<table>
<thead>
<tr>
<th>RESOURCES</th>
<th>Mt</th>
<th>Ni (%)</th>
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<tbody>
<tr>
<td>TOTAL</td>
<td>143</td>
<td>0.47</td>
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</table>

• Looking ahead

  • Trial mining underway: ore will be sent to LionOre’s Tati operation in Botswana for full-scale testing in its Activox demonstration plant
    • A positive result will reduce the discount factor and project decision could be moved forward
  • Expanded mine life estimated at 15 years: forecasting about 16 000tpa nickel and 100 000oz a year of PGMs
  • Will remain a competitive cost operation due to significant by-product credits
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Iron ore exports on the increase

- **Overview**
  - Situated in Northern Cape province – open-pit operations
  - Total tonnage produced FY2004: 6.3 Mt
  - Logistical issues (railway and port) being addressed

- **Vast iron ore (Fe) reserves and resources**

<table>
<thead>
<tr>
<th>RESERVES</th>
<th>Mt</th>
<th>Fe (%)</th>
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<tbody>
<tr>
<td>TOTAL</td>
<td>482</td>
<td>65.25</td>
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<table>
<thead>
<tr>
<th>RESOURCES</th>
<th>Mt</th>
<th>Fe (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>1,215</td>
<td>64.58</td>
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- **Northern resources provide massive opportunity**
  - Feasibility study underway to assess the potential for a new mine capable of producing 10-15mtpa
    - Feasibility to be completed late 2005
    - Design/construction scheduled for completion in 2008
    - Ramp-up will coincide with rail/port capacity allocation upgrade in 2009/10
ARM Ferrous

Significant new iron ore operation

• Indicative ramp-up schedule for Bruce, King, Mokaning to meet capacity allocations

[Graph showing tons (million) from 2005 to 2010, with separate bars for Beeshoek and Bruce/King/Mokaning operations]
**High-grade manganese deposits**

• **Overview**
  - Gloria (low-grade) and Nchwaning (high-grade) – situated in Northern Cape province
  - Ore mined for export market (1.4 Mt sold in FY 2004), as well as material ‘feed’ for ARM’s ferro-manganese smelters
  - New shaft commissioned at Nchwaning – will compliment existing manganese production:
    - Costs will be lower: mechanised operations and infrastructure optimisation
    - Total manganese production capacity will be at 3.5Mtpa

• **Significant manganese reserves and resources**
  - Total reserves of 131Mt and total resources of 631Mt
  - Quality ore that is much in demand from steel markets

• **Looking ahead**
  - Sales volumes anticipated to increase to 2.8Mt (2.2Mt export) over the medium-term (dependent on logistical issues being resolved)
Increasing manganese profile

• Indicative ramp-up schedule

• COEGA – future bulk terminal?

• High metal content and low impurities makes the ore from the mine exceptional smelting ore
Chrome expansion underway

• **Overview**
  - Situated in Mpumalanga province – open-pit operations
  - Dedicated ore supplier to ARM’s ferro-chrome smelter (648kt delivered in 2004)

• **Easily accessible chrome ore reserves and resources**
  - Total reserves of 27Mt and total resources of 87Mt

• **Looking ahead**
  - Underground operation currently being built – will maintain alloy sales at approximately 300ktpa in short-term, but increasing in the medium-term (dependent on markets)
  - Mechanisation will result in low on-mine operating costs
  - Efficiencies at ferro-chrome smelter improving and costs declining: production increased 12% year-on-year (2003 – 2004) and expected to increase further in the short-term
**ARM Ferrous**

**Exciting chrome development**

- New underground mine construction commenced – first production 2005/06
- Geared to deliver quality metallurgical chromite to Machadodorp
- Beneficiation plant has been designed to produce chemical and foundry grade products
- Resource capacity available to expand chromite production
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ARM Exploration

Attractive exploration portfolio

- Portfolio to be structured and positioned for development and growth
- Value enhancing options under review: *market has ascribed zero value to these assets and related growth prospects within ARM*
- Advisors appointed
- Review process expected to be completed by mid-2005

- **Zambia:** zinc, lead, silver
  - Exploration phase
- **Zambia:** nickel, PGMs
  - Exploration phase
- **DRC:** copper, cobalt
  - Drill-ready targets
- **DRC:** copper, cobalt
  - Project in drill-out phase
- **Namibia:** gold
  - Two projects in feasibility phase
  - Resource: 25.8Mt @ 1.14g/t
  - Resource drilled: 8.13Mt @ 2.82% Cu and 96.1Mt @ 2.65% Cu

Significant growth opportunity
Conclusion

Activities within the five focused action areas are well-advanced

Operational excellence

‘Brownfield’ expansions

New project developments

Investor attractiveness

Acquisitive growth

SHAREHOLDER WEALTH CREATION

GROWTH

..and more..